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## DEPARTMENT OF HEALTH &amp; HUMAN SERVICES

Health Care Financing Administration

The Administrator  
Washington, D.C. 20201

JAN 11 1999

1115 approval

See Stubs 1/27/99 letter

Mr. Greg Vadner  
Director  
Missouri Department of Social Services  
Division of Medical Services  
P.O. Box 6500  
Jefferson City, Missouri 65102-6500

Dear Mr. Vadner:

We are pleased to inform you that your modification request to impose cost-sharing requirements on children up to age 19 with incomes below 300 percent of the Federal Poverty Level (FPL) in your Section 1115 Medicaid demonstration, entitled "Managed Care Plus (MC+)," has been approved. This approval is under the authority of section 1115 of the Social Security Act (SSA). This action also modifies your Title XXI plan of the same name.

Our approval of this modification (and the waivers and the Federal matching provided for thereunder) is conditioned upon compliance with the enclosed special terms and conditions, which set forth in detail the nature, character, and extent of anticipated Federal involvement in the project. The award is subject to our receiving your written acceptance of the award within 30 days of this letter.

All requirements of the Medicaid program expressed in law, regulation, and policy statement, not expressly identified as not applicable in this letter, shall apply to the MC+ demonstration program as modified. The following exceptions from Medicaid requirements and matching authorities as specified in the State's modification request and subsequent discussions, are approved as of the date of this letter through March 1, 2004.

Exceptions to Medicaid Requirements

In order to implement the cost-sharing provision, the following exceptions to Medicaid requirements are approved, effective the date of the award letter through March 1, 2004.

## 1. Premiums

Section 1916(a)(1)

To enable the State to charge premiums up to \$65 for those children below age 19 with family incomes between 226 and 300 percent of the FPL.

## 2. Disenrollment for Non-Payment of Premiums

Section 1916(c)(3)

To enable the State to disenroll for six months children with family income between 226 and 300 percent of the FPL for non-payment of premiums within 20 days of the end of the

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grace period. Beneficiaries will have access to a fair hearing process to appeal the - disenrollment

3. Copayments

Section 1916(a)(2)(A)

Section 1916(a)(3)

To enable the State to impose co-payments that are not nominal on children below age 19 with family incomes between 185 and 300 percent of the FPL. Co-payments can not be imposed for well-baby and well-child visits, immunizations, and preventive and diagnostic dental services.

4. Disenrollment for Non-Payment of Co-payments

Section 1916(e)

To enable the State to disenroll for six months children with family income between 185 and 300 percent of the FPL for failure to pay provider point of service co-payments. Disenrollment will only take place after failure to pay co-payment three times within twelve months beginning at the time of enrollment provided that 1) their eligibility status has not changed during the subject time which would put them into a non-mandatory co-payment category, and/or 2) an acceptable mitigating circumstance was not present. Beneficiaries will have access to a fair hearing process to appeal the disenrollment.

Costs Not otherwise Matchable

Under the authority of section 1115(a)(2) of the SSA, expenditures made by the State under MC+ for the items identified below (which are not otherwise included as expenditures under section 1903) shall, for the period of this project, be regarded as expenditures under the State's Title XIX plan.

Expenditures to provide Medicaid coverage to children up to age 19 with family incomes up to 300 percent of the FPL.

We have also enclosed for your reference a complete set of Special Terms and Conditions.

We extend our congratulations on this award and look forward to working with you during the course of the project

Sincerely,

(S)

Nancy-Ann Min DeParle  
Administrator

Enclosure

**SPECIAL TERMS & CONDITIONS****II. GENERAL CONDITIONS**

(To be added to this section of the ST&Cs)

**G. Special Evaluation Requirements**

1. The State will contract within one year with a contractor to design and implement an evaluation on the ~~the~~ of not providing non-emergency medical transportation and on the effects of imposing cost-sharing on children, including the effects of the disenrollment provisions.
2. The State will submit its Scope of Work(s) for the evaluations to be used in the request for proposals for review and approval by HCFA.
3. The State will submit the formal evaluation design(s) from the contractor prior to acceptance of the design(s) by the State for review and approval by HCFA.
4. Failure to comply with these "Special Evaluation Requirements" will result in the withdrawal of the specific waivers necessary for the State to impose the cost-sharing requirements on the under age 19 beneficiaries and in the withdrawal of FFP.